

January 25, 2012

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: ***Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109; Universal Service Reform – Mobility Fund, WT Docket No. 10-208***

Dear Ms. Dortch:

On January 24, 2012, NECA representatives, Jim Frame, Pat Chirico, Victor Glass and the undersigned, met with Al Lewis, Dan Ball, Randy Clarke, Victoria Goldberg, Paul Hartman, Gary Seigel, Doug Slotten and Thomas Parisi of the Wireline Competition Bureau regarding the above-referenced matter. Messrs. Frame, Glass and Seigel, and Ms. Chirico participated via telephone.

In the meeting we discussed implementation details of the Commission's November 18, 2011 Order (Order) in the above-referenced proceeding. First, we requested clarification as to whether Access Recovery Charge (ARC) revenues and Connect America Fund Intercarrier Compensation Support (CAF ICC) revenues should be treated as wholly interstate for reporting purposes. If so, mechanisms such as the FCC Form 492 report for rate-of-return carriers would need to properly align these revenues with the related cost recovery.

We also discussed a discrepancy in the prescribed calculation of "Eligible Recovery" for rate-of-return companies in the Order. In particular, the text of the Order describes application of the Rate-of-Return Carrier Baseline Adjustment Factor differently than codified in section 51.917(d) of the Commission's rules, and would lead to different calculations.

The ability of rate-of-return companies, both in and out of NECA's tariffs, to reduce their capped interstate switched access rates using existing ratemaking rules to the extent their interstate switched access revenue requirement justifies lower rates was also discussed. Following existing rules could result in tariffed interstate rates below the capped levels, which could have implications on future transitional rate levels, as well as possible impacts on eligible recovery for these rate-of-return companies.

Finally, we discussed NECA's December 16, 2011 ex parte letter addressing section 69.603(g) of the Commission's rules for purposes of apportioning association Category I expenses among the various sub-categories.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey E. Dupree". The signature is fluid and cursive, with the first name "Jeffrey" being more prominent and the last name "Dupree" following in a similar style.

cc: Al Lewis
Dan Ball
Randy Clarke
Victoria Goldberg
Paul Hartman
Gary Seigel
Doug Slotten
Thomas Parisi